



A STUDY ON ECONOMIC EMPOWERMENT OF WOMEN THROUGH SELF HELP GROUPS IN NAMAKKAL DISTRICT, TAMIL NADU

Mrs. N. Swarnalatha * Dr. R. Ganapathi**

*Ph.D. (Part-Time) Research Scholar, Dept. of Management Studies, Karpagam, University, Coimbatore. Tamil Nadu.

**Assistant Professor, Directorate of Distance Education, Alagappa University, Karaikudi, Tamil Nadu, India.

Abstract

Self Help Groups (SHGs) are considered as one of the most significant tools in participatory approach for the economic empowerment of women. In Namakkal district, there are 9910 self-help groups and with a membership of 1.53 lakhs and the total savings through SHGs is Rs.5746.70 lakhs. The exploratory factor analysis shows that economic activities, assets acquisition, income generation, welfare activities, household materials, economic power, purchase and income are the factors affecting the economic empowerment of women through self-help groups. The correlation analysis shows that the income generation and income are positively and highly correlated with the level of economic empowerment of women through self-help groups. Besides, economic activities, welfare activities and economic power are positively and moderately associated with the level of economic empowerment of women through self-help groups, but, assets acquisition and purchase are also positively and poorly correlated with the level of economic empowerment of women through self-help groups. SHGs could be helpful in inducing positive self-image, self-reliance, self-confidence and economic independence in women members.

Key Words: Correlation, Economic Empowerment, Exploratory Factor Analysis, Self Help Groups.

INTRODUCTION

Women constitute around fifty percent of the total human resources in our economy. Yet women are the more poor and under privileged than men as they are subject to many socio-economic and cultural constraints. The situation is more severe in the rural and backward areas. Women development activities must be given importance to eradicate poverty, increase the economic growth and for better standard of living.

Self Help Groups (SHGs) are considered as one of the most significant tools in participatory approach for the economic empowerment of women. The basic objective of SHG is platform for members to provide space and support to each other. SHGs comprise very poor people who do not have access to formal financial institutions. It enables its members to learn to cooperate and work in a group environment. SHGs enable women to grow their savings and access the credit which banks are increasingly willing to lend. SHGs can also be community platform from which women become active in village affairs, contest in the local election to take action and to address social issues.

Women participation in SHGs has obviously created tremendous impact upon the life pattern and style of poor women and has empowered them at various levels not only as individuals but also as members of the family members of the community and the society as a whole. They come together for the purpose of solving their common problems through self-help and mutual help. It is a tool to remove poverty and improve women entrepreneurship and financial support in India. SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life. The SHGs have inculcated a great confidence in the minds of rural women to succeed in their day to day life. Self Help Group (SHGs)-Bank Linkage Programme is emerging as a cost effective mechanism for providing financial services to the "Unreached Poor" which has been successful not only in meeting financial needs of the rural poor women but also strengthen collective self-help capacities of the poor, leading to their empowerment.

The SHG movement in Tamil Nadu started with IFAD assisted Women's development project from the year 1991-92. Over the past 20 years, the SHG movement has spread across the entire state. In Tamil Nadu, there are 5.56 lakhs SHGs with a membership of 85.70 lakhs. The total savings through SHGs in Tamil Nadu is Rs.3,374.60 crores and the number of SHGs credit linked is 4.85 lakhs (Rural Development and Panchayat Raj Department, 2015). In Namakkal district, there are 9910 self help groups and with a membership of 1.53 lakhs and the total savings through SHGs is Rs.5746.70 lakhs (Directorate of Town Panchayats, 2015).

STATEMENT OF THE PROBLEM

Empowerment of women is essential to harness the women labour in the main stream of economic development. Empowerment of women is a holistic concept, it is multi – dimensional in its approach and covers social, political, economic and social aspects. Of all these facets of women's development, economic empowerment is of utmost significance in order to

achieve a lasting and sustainable development of society. For economic empowerment, it is necessary for a woman to have access to and control over productive resources and to ensure some degree of financial autonomy. The occupational change, the first step in the process of change is considered to be the initial momentum of empowerments. The rural women hitherto unemployed or underemployed and docile in life may go in for new occupations which need reorientation, counseling and mental change in themselves and their family members, corresponding to the institutional support system. With the occupation, there may be economic progress but the progress varies on the basis of educational level of members and the support extended by family members for the new venture. The economic empowerment may be reflected through the generation of additional income, savings, self-improvement and the potential to take up new challenges in occupation. SHG programme has emerged across India as one of the most popular strategy for economic empowerment of women. Economic empowerment by way of participation in SHG can bring enviable changes and enhancement in the living conditions of women.

When she becomes a member of SHG, her sense of public participation, enlarged horizon of social activities, high self-esteem, self-respect and fulfillment in life expands and enhances the quality of status of women as participants, decision makers and beneficiaries in the democratic, economic social and cultural spheres of life. Thus, undoubtedly, SHG can be an effective instrument to empower women socially and economically by which the implication on the overall development of women is indisputably possible particularly for a country like India wherein still large segment of women population are underprivileged, illiterate, exploited and deprived of basic rights of social and economic spectrum.

OBJECTIVES OF THE STUDY

The following are the specific objectives of the study.

1. To study the reasons for women to join self-help groups.
2. To identify the factors affecting economic empowerment of women through self-help groups.
3. To examine the relationship between factors affecting the economic empowerment of women through self-help groups and their level of economic empowerment.

LIMITATIONS OF THE STUDY

The women members of SHGs are selected only from the Namakkal district. Since, the data are collected from the women members, the drawbacks and limitations of the field level survey are very much applicable to the present research. The data and information collected from women members are subjected to recall bias. Therefore, the research findings and the managerial implications are applicable only to Namakkal district.

METHODOLOGY

Among the different districts in Tamil Nadu state, Namakkal district has been purposively selected for the present study. 300 women members of self help groups have been selected by adopting random sampling technique through pre-tested and structured questionnaire and the data and information pertain to the year 2013-2014. In order to understand the socio-economic profile of women members of self help groups, frequency and percentage analysis are carried out. In order to identify the factors affecting the economic empowerment of women through self-help groups, exploratory factor analysis has been employed. In order to examine the relationship between factors affecting the economic empowerment of women through self-help groups and their level of economic empowerment, correlation analysis has been applied.

RESULTS AND DISCUSSION

SOCIO-ECONOMIC PROFILE OF WOMEN MEMBERS OF SELF HELP GROUPS

The socio-economic profile of women members of self-help groups was analyzed and the results are presented in Table 1.

Table -1, Socio-Economic Profile of Women Members of Self Help Groups

Demographic Profile	Frequency	Percentage
Age Group		
Below 20 years	72	24.00
21-30 years	138	46.00
31-40 years	66	22.00
Above 40 years	24	8.00
Educational Qualification		
Illiterate	126	42.00
Primary	51	17.00

Secondary	88	29.33
Higher Secondary	35	11.67
Community		
Forward Caste	23	7.67
Backward Caste	132	44.00
Most Backward Caste	94	31.33
Scheduled Caste	36	12.00
Scheduled Tribes	15	5.00
Occupation		
Agricultural Labour	164	54.67
Petty Business	82	27.33
Vegetable Vendor	54	18.00

Source: Primary Data

The results show that about 46.00 per cent of women members of self help groups belong to the age group of 21-30 years followed by below 20 years (24.00 per cent), 31-40 years (22.00 per cent) and above 40 years (8.00 per cent). The results indicate that about 42.00 per cent of women members of self help groups are illiterates followed by secondary education (29.33 per cent), primary education (17.00 per cent) and higher secondary education (11.67 per cent).

It is apparent that about 44.00 per cent of women members of self help groups belong to backward caste followed by most backward caste (31.33 per cent), scheduled caste (12.00 per cent), forward caste (7.67 per cent) and scheduled tribes (5.00 per cent). The results reveal that about 54.67 per cent of women members of self help groups are agricultural labourers followed by petty business (27.33 per cent) and vegetable vendors (18.00 per cent).

The analysis of socio-economic profile of women members of self help groups shows that majority of the women members belong to age group of 21-30 years and most of them are illiterates. Majority of women members belong to backward caste and most of them are agricultural labourers.

REASONS FOR JOINING IN SELF HELP GROUPS

The reasons for joining in self help groups were analyzed and the results are presented in Table 2.

Table -2, Reasons for Joining in Self Help Groups

Reasons for Joining in Self Help Groups	Frequency	Percentage
To add family income	112	37.33
To be independent	38	12.67
To have the habit of saving	23	7.67
To get loan to develop the business	82	27.33
To improve economic status	45	15.00
Total	300	100.00

Source: Primary Data

The results show that about 37.33 per cent of women members of self help groups opine that to add family income is the major reason for joining in self help groups followed by to get loan for develop the business (27.33 per cent), to improve economic status (15.00 per cent), to be independent (12.67 per cent) and to have the habit of saving (7.67 per cent).

FACTORS AFFECTING THE ECONOMIC EMPOWERMENT OF WOMEN THROUGH SELF-HELP GROUPS

In order to identify the factors affecting the economic empowerment of women through self-help groups, exploratory factor analysis has been employed. The principal component method of factor analysis was carried out with Eigen Values greater than one through varimax rotation and the results obtained through rotated component matrix are presented in Table 3. The results of Kaiser-Meyer-Olkin (KMO Test) measure of sampling adequacy (KMO = 0.840) and Bartlett's test of Sphericity (Chi-square Value = 0.0014; Significance = 0.000) indicates that the factor analysis method is appropriate.

Eight independent groups are extracted accounting for a total of 82.34 per cent of variations on 35 variables. Each of the eight factors contributes to 16.95 per cent, 14.42 per cent, 11.66 per cent, 10.48 per cent, 8.54 per cent, 7.97 per cent, 6.40 per cent and 5.92 per cent respectively.

Table- 3, Factors Influencing The Economic Empowerment Of Women Through Self-Help Groups

Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
I	After joining SHG my family income has increased	0.70	5.62	16.95	Economic Activities
	I am cooking healthy food	0.68			
	I am purchasing quality consumables	-0.66			
	I have started a small business with the help of loan availed from SHG	-0.70			
	I am providing nutritious food to my family	0.75			
	I am also saving money in the post office	0.73			
	I am spending more for purchasing clothes	0.69			
	I have purchased gold jewels	-0.60			
	My family members are wearing neat and good looking clothes	0.73			
II	My family expenditure is met with income alone	-0.65	4.38	14.42	Assets Acquisition
	I am not taking any loan from moneylenders	0.68			
	I have spent a good amount to purchase a plot	0.67			
	I have renovated my old house	0.72			
	I have got ability to spend money independently	0.74			
	I am providing guidance to find out additional income sources to my group members	-0.63			
	My family is purchasing a Tamil daily	-0.62			
Factor	Item	Rotated Factor Loadings	Eigen Value	% of Variation	Factor Name
III	I am generating additional income to my family	0.68	3.10	11.66	Income Generation
	I am regularly paying to chit fund without delay	0.67			
	I am spending more for travelling	-0.60			
	I have bought new home appliances	0.70			
	I am supporting my husband monetarily	0.69			
IV	My family's level of living has improved	0.67	2.94	10.48	Welfare Activities
	My children's health has improved	-0.64			
	I have a chance to work in the government's employment schemes	0.70			
	I am purchasing clothes in a textile showroom at the city	0.71			
V	I am repaying my loan very easily	0.59	2.32	8.54	Household Materials
	I have bought new utensils	0.60			
	I have bought new bed for my family members	0.64			
	I have purchased / built own house	0.65			
VI	I have improved my bargaining power	0.65	2.18	7.97	Economic

	Purchasing power of my family has improved	-0.62			Power
VII	I am spending a good amount to purchase cosmetics	0.64	1.54	6.40	Purchase
	My family has purchased a new vehicle	0.59			
VIII	I am having a good amount of money with me for daily expenses	0.72	1.41	5.92	Income
	I have improved my agricultural income	-0.69			
	Cumulative % of Variation	-	-	82.34	-
	Cronbach's Alpha	-	-	-	0.89

Source: Primary Data

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 13 iterations.

Factor - I: From the results, it is inferred that out of 35 variables, nine variables have their high, relatively tightly grouped factor loadings on factor - I.

This factor consists of:

- After joining SHG my family income has increased (0.70)
- I am cooking healthy food (0.68)
- I am purchasing quality consumables (-0.66)
- I have started a small business with the help of the loan availed from SHG (-0.70)
- I am providing nutritious food to my family (0.75)
- I am also saving money in the post office (0.73)
- I am spending more for purchasing clothes (0.69)
- I have purchased gold jewels (-0.60)
- My family members are wearing neat and good looking clothes (0.73)

Hence, this factor is named as **“Economic Activities”**.

Factor - II: is formed with:

- My family expenditure is met with my income alone (-0.65)
- I am not taking any loan from moneylenders (0.68)
- I have spent a good amount to purchase a plot (0.67)
- I have renovated my old house (0.72)
- I have got ability to spend money independently (0.74)
- I am providing guidance to find out additional income sources to my group members (-0.63)
- My family is purchasing a Tamil daily (-0.62)

These variables are named as **“Assets Acquisition”**

Factor - III: This factor includes:

- I am generating additional income to my family (0.68)
- I am regularly paying to chit fund without delay (0.67)
- I am spending more for travelling (-0.60)
- I have bought new home appliances (0.70)
- I am supporting my husband monetarily (0.69)

These variables are named as **“Income Generation”**

Factor - IV: This factor is formed with:

- My family's level of living has improved (0.67)
- My children's health has improved (-0.64)
- I have a chance to work in the government's employment schemes (0.70)
- I am purchasing clothes in a textile showroom at the city (0.71)

This factor is named as **“Welfare Activities”**

Factor - V: This is formed with:

- I am repaying my loan very easily (0.59)
- I have bought new utensils (0.60)
- I have bought new bed for my family members (0.64)
- I have purchased / built own house (0.65)

These variables are named as “**Household Materials**”.

Factor - VI: This factor includes:

- I have improved my bargaining power (0.65)
- Purchasing power of my family has improved (-0.62)

These variables are named as “**Economic Power**”

Factor - VII: This factor is formed with:

- I am spending a good amount to purchase cosmetics (0.64)
- My family has purchased a new vehicle (0.59)

This factor is named as “**Purchase**”

Factor - VIII: This factor is formed with:

- I am having a good amount of money with me for my daily expenses (0.72)
- I have improved my agricultural income (-0.69)

This factor is named as “**Income**”

Cronbach’s Alpha of the scale was 0.89 indicating that each measure demonstrated acceptable internal consistency. It is inferred that economic activities, assets acquisition, income generation, welfare activities, household materials, economic power, purchase and income are the factors affecting the economic empowerment of women through self-help groups.

RELATIONSHIP BETWEEN FACTORS AFFECTING THE ECONOMIC EMPOWERMENT OF WOMEN THROUGH SELF-HELP GROUPS AND LEVEL OF ECONOMIC EMPOWERMENT

In order to examine the relationship between factors affecting the economic empowerment of women through self-help groups and their level of economic empowerment, correlation analysis has been applied and the results are presented in Table 4.

Table- 4, Relationship between Factors Affecting the Economic Empowerment of Women through Self-Help Groups and Level of Economic Empowerment

Factors Affecting the Economic Empowerment	Correlation Co-efficient
Economic Activities	0.42 ^{**}
Assets Acquisition	0.38 ^{**}
Income Generation	0.64 ^{**}
Welfare Activities	0.41 ^{**}
Household Materials	0.21
Economic Power	0.45 ^{**}
Purchase	0.36 ^{**}
Income	0.68 ^{**}

Source: Primary Data, ^{**} indicates significant at one per cent level

The correlation analysis shows that the income generation and income are positively and highly correlated with the level of economic empowerment of women through self help groups at one per cent level of significance. Meanwhile, economic activities, welfare activities and economic power are positively and moderately associated with the level of economic empowerment of women through self help groups at one per cent level of significance, but, assets acquisition and purchase are also positively and poorly correlated with the level of economic empowerment of women through self help groups at one per cent level of significance.

CONCLUSION

The present study reveals that majority of women members of self help groups are youngsters and most of them are illiterates. Majority of them belong to backward caste and most of them are agricultural labourers. To add family income is the major reason women for joining in self help groups. The exploratory factor analysis shows that economic activities, assets

acquisition, income generation, welfare activities, household materials, economic power, purchase and income are the factors affecting the economic empowerment of women through self-help groups.

The correlation analysis shows that the income generation and income are positively and highly correlated with the level of economic empowerment of women through self help groups. Besides, economic activities, welfare activities and economic power are positively and moderately associated with the level of economic empowerment of women through self help groups, but, assets acquisition and purchase are also positively and poorly correlated with the level of economic empowerment of women through self help groups.

There was an increase in income generation, welfare activities and economic power of rural women due to the involvement in the entrepreneurial and other activities of self help groups. Self help groups could be linked to literacy programmes run by government and it could be made an integral part of self help group activities. Raised literacy level could be helpful for the self help group members to overcome cognitive constraints and to understand government policies, technical understanding and gaining required skills.

Rural women could be motivated to avail finances for starting the entrepreneurial activities. Awareness created about various credit facilities, financial incentives and subsidies through self help groups. Entrepreneurship education and trainings could be introduced at all levels from basic education. It could be helpful in inducing positive self image, self reliance, self confidence and economic independence in women members of self help groups. Besides, SHGs must take along an active people-centred and growth-oriented poverty alleviation strategy – a strategy which seems to incorporate women’s aspirations, dynamism and involvement.

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